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Shultz's Top Aide Blasts Reagan Staff On Iran Sales, Escalating Public Feud

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WASHINGTON—The public feud within the Reagan administration over secret arms sales to Iran escalated, as the State Department blasted the president's national security staff while Mr. Reagan met with his top foreign policy advisers to seek ways to end the worst crisis of his presidency.

In blunt and highly unusual congressional testimony, the State Department's second-ranking official, John Whitehead, charged that the president "may have been poorly advised" on the Iran affair. Mr. Whitehead, who sharply questioned the wisdom of shipping arms to Iran, contradicted Mr. Reagan himself on certain key points.

The public display of internal friction seemed certain to increase pressure on the president to take the private advice of longtime supporters that he overhaul his top foreign policy echelon, including Chief of Staff Donald Regan, Secretary of State George Shultz and National Security Adviser John Poindexter.

'Not Firing Anybody'

But in a brief encounter with reporters, Mr. Reagan said, "I'm not firing anybody." He left the door open to accepting resignations from top staffers, though. When asked if he had ruled out staff changes, he said, "I'm not commenting either way."

Meanwhile, sources close to the White House chief of staff said first lady Nancy Reagan, who is said to be angry about the performance of the president's aides, called Mr. Regan to deny that she favored his ouster. These sources put out the word that Mrs. Reagan and the chief of staff both had advised the president to speak publicly about the Iran affair shortly after news of it broke, but were frustrated by Mr. Poindexter, who wanted to keep the matter from public view.

Mr. Whitehead was the first senior administration official to testify publicly before a congressional committee on the Iran operation. Joining in the finger pointing by senior officials who are trying to assign—and deflect—blame for the unpopular policy, he told the House Foreign Affairs Committee that the policy of shipping arms to Iran originated with the National Security Council.

Call for Review of NSC

"We at the State Department find it difficult to cope with NSC operational activities," he said, adding, "particularly when we don't know about them." He called for a review of the extent to which the council, which traditionally advises the president, should be involved in operations.

Mr. Whitehead also declared that "it's hard to point to a major accomplishment" resulting from President Reagan's decision to sell arms to Iran, a move the president said was made to open a new dialogue with Iran and help win the release of American hostages held by pro-Iran terrorists in Lebanon.

Even without such shipments, Mr. Whitehead suggested, the three American hostages who were released by Lebanese terrorists influenced by Iran "might have been released anyhow. We can't be sure."

Some White House officials last night were aghast at Mr. Whitehead's testimony. One described Mr. Whitehead as "extremely naive." Another defended the National Security Council by suggesting that the Central Intelligence Agency played a bigger operational role than the NSC did.

Both Republicans and Democrats on the congressional panel criticized the president's handling of the Iran incident. Rep. William Broomfield of Michigan, the committee's ranking Republican, said that although the White House had authority in some cases to act without notifying Congress, "I strongly question the administration's judgment in exercising it in this case."

Shultz's Knowledge of Shipments

There is little doubt that Mr. Whitehead was speaking for Mr. Shultz during his testimony. He told the panel that he had scant personal knowledge about the incident, and he insisted that Mr. Shultz didn't know much about the details of the arms shipments either. He confirmed that Mr. Shultz had attended two meetings in December and January about the arms plan, but that "from then on I believe he was only informed occasionally and intermittently and never in any detail."

A senior State Department official last week said Mr. Shultz thought the idea of sending arms to Iran had been scrapped after he and Defense Secretary Caspar Weinberger opposed it. But officials at the White House yesterday charged that Mr. Shultz deliberately had "turned his head the other way, and now he's trying to claim he was kept in the dark."

Besides questioning the policy of sending arms to Iran, Mr. Whitehead contradicted President Reagan's assertion last week that Iran had ceased sponsoring terrorism against the U.S. during the past year. "I don't like to differ with my president, but I believe there's some continuing evidence of Iranian involvement with terrorists," he told the congressional panel.

U.S. intelligence sources say that Iran has influence over the radical Shiite terrorists in Lebanon who recently have taken three additional American hostages.

Reagan's Assertion Undercut

In his testimony, Mr. Whitehead also undercut President Reagan's assertion that the Iran policy was designed to strengthen moderate elements in Tehran. "I don't think we know who are the moderates in Iran," Mr. Whitehead said.

The State Department official said that the U.S. occasionally picks up "little clues" about possible internal opposition to the Iranian regime, but he noted that department officials don't know who actually received the arms the administration agreed to sell to that country. "I don't know who signed the check," he said.

Mr. Whitehead said he and Mr. Shultz also didn't know what equipment was shipped, whether Israel played a role in the operation as has been widely reported, or under what authority the president approved the shipments.

"I feel somewhat embarrassed to be in that position," Mr. Whitehead told the lawmakers.

Discussing the potential long-term effects of the Iran policy, Mr. Whitehead said that moderate Arab states are "distressed and embarrassed and tell us that they believe we have deceived them." Asked how the U.S. could repair the damage, Mr. Whitehead said the administration must reaffirm its previously stated policies of taking a tough stand against terrorists and refusing to provide arms to either side in the Iran-Iraq war.

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